



Independent Auditors' Report to the Members Of Ali - EA Foundation

To The Members Of Ali - EA Foundation

Report on the financial statements

We have audited the accompanying financial statements of ALI-EA Foundation (the "Foundation"), set out on pages 7 to 14 which comprise the statement of financial position as at 31 December 2010, and the statement of income and expenditure, statement of changes in reserves and statement of cash flows for the period then ended, together with the summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Foundation directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the provision of the Tanzanian Companies Act 2002, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design our audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of financial affairs of the Foundation as at 31 December 2010 and of its deficit and cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Tanzanian Companies Act 2002.

Report on Other Legal Requirements

As required by the Tanzanian Companies Act 2002, we report to you, based on our audit that:

- i) *we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;*
- ii) *in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and*
- iii) *the company's statement of financial position and statement of income and expenditure are in agreement with the books of account.*

Deloitte + Touche

Certified Public Accountants (T)
Dar es Salaam

30 September 2011

Signed by: E. A. Harunani



STATEMENT OF INCOME AND EXPENDITURE

AS AT 31 DECEMBER 2010

	Notes	2010	2009
INCOME			
Contributions from members of the board of directors	2	27,955,150	22,438,420
Donations from other donors	3	290,159,101	569,744,503
Other income	4	<u>73,283,724</u>	<u>-</u>
Total income		<u>391,397,975</u>	<u>592,182,923</u>
EXPENDITURE			
Direct seminar expenses	5	(54,654,347)	(488,871,541)
General and administration expenses	6	(119,200,787)	(166,702,626)
Total expenditure		<u>(173,855,134)</u>	<u>(655,574,167)</u>
Surplus/(deficit) before taxation		217,542,841	(63,391,244)
Taxation charge	7	-	-
Surplus/(deficit) for the period		<u>217,542,841</u>	<u>(63,391,244)</u>

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Notes	2009 TZS	2008 TZS
ASSETS			
Current assets			
Other receivables	8	35,009,554	343,579
Cash and bank balances		<u>437,163,439</u>	<u>529,847,204</u>
Total assets		<u>472,172,993</u>	<u>530,190,783</u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated surplus		<u>294,015,430</u>	<u>76,472,589</u>
Current liabilities			
Other payables	9	<u>178,157,563</u>	<u>453,718,194</u>
Total liabilities and reserves		<u>472,172,993</u>	<u>530,190,783</u>

The financial statements on pages 7 to 16 were approved by the board of directors on 30 September 2011 and signed on its behalf by:

Ali A. Mufuruki
Chairman

Zuhura S. Muro
Secretary

STATEMENT OF CHANGE IN RESERVES

AS AT 31 DECEMBER 2010

	Accumulated surplus TZS
At 1 January 2009	139,863,833
Deficit for the year	<u>(63,391,244)</u>
At 31 December 2009	<u>76,472,589</u>
At 1 January 2010	76,472,589
Surplus for the year	<u>217,542,841</u>
At 31 December 2010	<u>294,015,430</u>

ALI – EA Foundation is a company limited by guarantee not having a share capital.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2009 TZS	2008 TZS
Operating activities			
Surplus/(deficit) before taxation		<u>217,542,841</u>	<u>(63,391,244)</u>
<i>Movement in working capital:</i>			
Increase in other receivables		(34,665,975)	(11,981)
Decrease in other payables		<u>(275,560,631)</u>	<u>(7,553,894)</u>
Net cash (used in)/generated from operating activities		<u>(92,683,765)</u>	<u>(70,957,119)</u>
Cash and bank balances at the beginning of the period		<u>529,847,204</u>	<u>600,804,323</u>
Cash and bank balances at the end of the period		<u>437,163,439</u>	<u>529,847,204</u>

Detailed financial statements are available upon written request from Executive Secretary
ALI EA Foundation LTD, P.O. Box 76686, Dar es Salaam, Tanzania.